

Young Americans steer away from driving

By Shannon Bond
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in New York

Young Americans are eschewing cars for alternative transport, leaving car-makers to wonder if this is a recession-induced trend or a permanent shift in habits.

For generations of US teenagers, the car was the paramount symbol of independence.

But in the age of Facebook and iPhones, young adults are getting fewer drivers' licences, driving less frequently and moving to cities where cars are more luxury than necessity. Figures from the Federal Highway Administration show the share of 14- to 34-year-olds without a driver's licence rose to 26 per cent in 2010 from 21 per cent a decade earlier, according to a study by the Frontier Group and the US PIRG Education Fund released this month. (Some US states allow 14-year-olds a learner's permit to drive.) Another study from the University of Michigan showed that people under 30 accounted for 22 per cent of all licensed drivers, down from a third in 1983, with the steepest declines among teenagers.

At the same time, cycling, walking and public transport use rose among 16- to 34-year-olds from 2001 to 2009, the Frontier study said. This trend has probably been accelerated by the recession, which has seen young people lose jobs and suffer steep falls in working hours.

"We need to give due weight to the economic realities that these folks have been growing up in," said Jeremy Anwyl, vice-chairman at Edmunds.com, a car research website. "How do you react to high rates of unemployment and limited economic opportunity? People live at home a little longer, where they have access to the parental fleet."

Tony Dutzik, senior policy analyst at the Frontier

Group and co-author of the study, said: "The economy does have a fairly significant impact on driving. We know that young people... who work, tend to drive more miles per year than people who don't."

But he added that "even among young people who did have jobs, the amount of miles they were driving each year was falling". The study also found that young people with incomes above \$70,000 doubled their use of public transport and bikes between 2001 and 2009.

"With the rise of social media, people don't do a lot of face-to-face getting together, so they don't need cars as much," Mr Anwyl said. That presents a challenge to car manufacturers: how do you sell cars to people who may be less interested than ever before?

One answer is targeted marketing. Carmakers are increasing their online presence on social networks and emphasising the interactive technology built into many cars, such as streaming music from Pandora and Spotify.

Ford announced last week that it was joining forces with Yahoo to produce a web-only reality television series to promote the new electric version of its Focus car. Ford said it would market the car purely through online media at a fraction of the cost of a traditional advertising campaign while setting its sights on a niche audience on the east and west coasts.

"What we're doing here is being very targeted and building awareness in a much more efficient way," said John Felice, general manager of sales for the Ford and Lincoln brands.

But another shift in social attitudes among younger consumers may yet thwart carmakers' efforts.

"The conundrum for marketers is that this generation more than most doesn't like being marketed to," Mr Anwyl said. "They really reject overtly commercial pitches."

26%

The share of those aged 14 to 34 without a driver's licence in 2010, up from 21 per cent a decade earlier

22%

Percentage of licensed drivers who are under the age of 30, down from a third in 1983

100%

Rise in use of public transport and bikes by young people with incomes above \$70,000 between 2001 and 2009

The car has been the symbol of independence for US youth, as in films such as 'Ferris Bueller's Day Off' (left) **Kobal**

